

tions of the embargo are being investigated, and appropriate enforcement actions will be taken.

7. The expenses incurred by the Federal Government in the 6-month period from October 4, 1991, through April 3, 1992, that are directly attributable to the authorities conferred by the declaration of a national emergency with respect to Haiti are estimated at \$323,000, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC, the U.S. Customs Service, and the Office of the General Counsel), the Department of State, the Department of Commerce, and the Federal Reserve Bank of New York.

8. The assault on Haiti's democracy rep-

resented by the military's forced exile of President Aristide continues to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. The United States remains committed to a multilateral resolution of this crisis through its actions implementing the resolutions of the OAS with respect to Haiti. I shall continue to exercise the powers at my disposal to apply economic sanctions against Haiti as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

GEORGE BUSH

The White House,
April 7, 1992.

Message to the Congress Reporting on Panamanian Government Assets Held by the United States *April 7, 1992*

To the Congress of the United States:

1. I hereby report to the Congress on developments since the last Presidential report on October 3, 1991, concerning the continued blocking of Panamanian government assets. This report is submitted pursuant to section 207(d) of the International Emergency Economic Powers Act, 50 U.S.C. 1706(d).

2. On April 5, 1990, I issued Executive Order No. 12710, terminating the national emergency declared on April 8, 1988, with respect to Panama. While this order terminated the sanctions imposed pursuant to that declaration, the blocking of Panamanian government assets in the United States was continued in order to permit completion of the orderly unblocking and transfer of funds that I directed on December 20, 1989, and to foster the resolution of claims of U.S. creditors involving Panama, pursuant to 50 U.S.C. 1706(a). The termination of the national emergency did not affect the continuation of compliance audits and enforcement actions with respect to activities taking place during the sanctions period,

pursuant to 50 U.S.C. 1622(a).

3. The Office of Foreign Assets Control of the Department of the Treasury ("FAC") has released to the control of the Government of Panama approximately \$134 million of the approximately \$137.3 million that remained blocked at the time of my last report. The amount released represents blocked financial accounts that the Government of Panama requested be unblocked.

Of the approximately \$6.1 million remaining blocked at this time (which includes approximately \$2.8 million in interest credited to the accounts since my last report), some \$5.5 million is held in escrow by the Federal Reserve Bank of New York at the request of the Government of Panama. Additionally, approximately \$600,000 is held in commercial bank accounts for which the Government of Panama has not requested unblocking. A small residual in blocked reserve accounts established under section 565.509 of the Panamanian Transactions Regulations, 31 CFR 565.509, remains on the books of U.S. firms pending the final reconciliation of ac-

counting records involving claims and counterclaims between the firms and the Government of Panama.

4. I will continue to report periodically to the Congress on the exercise of authorities to prohibit transactions involving property in which the Government of Panama

has an interest, pursuant to 50 U.S.C. 1706(d).

GEORGE BUSH

The White House,
April 7, 1992.

Statement on United States Recognition of the Former Yugoslav Republics

April 7, 1992

The United States recognizes Bosnia-Herzegovina, Croatia, and Slovenia as sovereign and independent states and will begin immediate consultations to establish full diplomatic relations. The United States accepts the pre-crisis Republic borders as the legitimate international borders of Bosnia-Herzegovina, Croatia, and Slovenia.

We take this step because we are satisfied that these states meet the requisite criteria for recognition. We acknowledge the peaceful and democratic expression of the will of citizens of these states for sovereignty.

We will continue to work intensively with the European Community and its member states to resolve expeditiously the outstanding issues between Greece and the Republic of Macedonia, thus enabling the U.S. to recognize formally the independence of that Republic as well. The United States will also discuss with the Governments of Serbia and Montenegro their interest in remaining in a common state known as Yugoslavia.

In light of our decisions on recognition, the U.S. will lift economic sanctions from Bosnia-Herzegovina, Croatia, Macedonia, and Slovenia. Sanctions were applied to Yugoslavia on December 6, 1991. We will lift sanctions against Serbia and Montenegro contingent on Belgrade's lifting the economic blockades directed against Bosnia-Herzegovina and Macedonia. The U.N. arms embargo remains in effect.

It has been U.S. policy throughout the Yugoslav crisis to accept any resolution ar-

rived at peacefully, democratically, and by negotiation. The United States strongly supports the U.N. peacekeeping plan, as worked out by Cyrus Vance, and the full deployment of the U.N. peacekeeping force. We continue to support the EC Peace Conference as the indispensable forum for the parties to reach a peaceful settlement of their dispute and to establish the basis for future relations. U.S. recognition is without prejudice to any future association Yugoslav successor states might agree to establish.

The United States views the demonstrated commitment of the emerging states to respect borders and to protect all Yugoslav nationalities as an essential element in establishing full diplomatic relations. Equally, we view such a commitment by Serbia and Montenegro as essential to proceed in discussions on their future status.

The deployment of the U.N. peacekeeping force, the continuation of the EC Peace Conference, and the process of international recognition offer all of the former Yugoslav Republics an historic opportunity to reject decisively the tragic violence which has marked this crisis. Continued commitment to peaceful dialog should lead toward reconciliation, toward integration within Europe, and toward cordial and productive relations with the United States. The United States will continue to work to achieve these goals.